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Paraguay

Oilseeds and Products

Annual

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Approved by:

Philip A. Shull

U.S. Embassy

Prepared by:

David J. Mergen

Report Highlights:

The production estimate for soybeans is increased to 3.3 million tons for 2001 due to favorable weather conditions. Projected production for 2002 is 3.0 million tons, as production is expected to fall due to low prices and a return to more normal weather. Cottonseed production in 2001 is expected to reach 200,000 tons, a large increase over the previous year, but less than initially expected due to wet weather during the harvest. Production of cottonseed in 2002 is projected to fall due to current low prices.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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I. Situation and Outlook

A. SOYBEANS AND PRODUCTS

Favorable weather during the growing season resulted in a record soybean harvest of 3.3 million tons in 2001. Post's production estimate is slightly below the official Ministry of Agriculture estimate of 3.4 million tons (from 1.15 million hectares), but above the private sector estimate of 3.1 million tons (from 1.25 million hectares) issued by CAPECO (the exporter's association). Soybean production in 2002 is expected to fall to 3 million tons in 2002, as area remains constant (or possibly falls slightly due to lower prices) and yields return to average levels.

Biotechnology

Paraguay continued its ban on planting of biotech soybeans (and other biotech crops) during the most recent growing season, although (as in Brazil) there are widespread reports of farmers ignoring the prohibition and planting biotech soybeans. The use of biotech soybeans was reportedly greatest in the southern growing regions, which mainly export via river to Argentina and Uruguay for crushing in Argentina and re-export to Europe and Japan, while use of biotech soybeans was less common in the northern areas that ship primarily to Brazil. Exporting companies reportedly purchased kits to test for biotech soybeans in an effort to segregate biotech and non-biotech soybeans.

The Government of Paraguay is currently reassessing the ban on biotech soybeans, with many producers pressing for approval. Trade sources estimate that the average cost of producing soybeans in Paraguay is approximately US\$ 220 per hectare and that planting biotech soybeans could reduce pesticide costs by around US\$ 40 per hectare. The government is reluctant, however, to approve biotech soybeans as long as Brazil maintains its prohibition, since approximately 30 percent of Paraguay's soybeans are exported to Brazil.

Policy

The government provided no assistance for soybean farmers in the current year and none is expected in the next season (harvested in early 2002). Paraguay has no export taxes and the only tariffs it applies are the common Mercosur external tariff of zero for soybean seeds for planting, 10.5 percent for soybeans for crushing, 12.5 percent for crude soybean oil, 14.5 percent for refined soybean oil and 8.5 percent for soybean meal. As a member of Mercosur, Paraguay applies no tariffs to imports from Brazil, Argentina and Uruguay. Mercosur has preferential trade arrangements with Chile and the Andean Pact countries. The Andean Pact tariff preferences give Paraguay a price advantage of \$10-15 per ton versus other origins.

Domestic Crush

Renovation of processing facilities has increased the domestic crush capacity in Paraguay from a reported 22 percent of domestic production to an estimated 27 percent of production. Trade sources estimate that 800,000 tons of soybeans will be crushed in Paraguay this year, which we expect to continue at the same level in 2002.

Trade

Brazil is the main export market for Paraguay's soybean exports, with the remainder mainly shipped to Europe or Japan by way of ports in Brazil, Argentina and Uruguay.

B. COTTONSEED

Production of cottonseed is estimated at 200,000 tons for the current crop (90 percent harvested as of April 20). This figure is based on trade estimates of seed cotton production that range between 280,000 and 360,000 tons. Approximately 90 percent of the cotton crop has been harvested and between 55 and 60 percent delivered to the mills. Production was hurt by low prices (which has discouraged harvesting) and heavy rain during the harvest. Planted area is expected to fall next year due to low prices (and problems with rain this year).

The Government of Paraguay encouraged the production of cotton by providing seed, pesticides and cloth sacks to producers. The distribution of cloth sacks represented an effort to improve quality by reducing the amount of plastic fibers in cotton delivered to mills. Production of cotton in Paraguay is dominated by small producers and cotton is a high priority for the government.

C. SUNFLOWER

Area planted to sunflower fell this year as a result of low prices. Sunflower is expected to continue occupying a relatively small area in the upcoming crop year, due to ongoing low prices.

II. Statistical Tables

Table 1. Soybean Supply and Demand

PSD Table						
Country	Paraguay					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		03/2000		03/2001		03/2002
Area Planted	1200	1200	1250	1250	0	1200
Area Harvested	1150	1150	1250	1250	0	1200
Beginning Stocks	14	14	14	14	14	14
Production	2900	2900	3100	3300	0	3000
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	2914	2914	3114	3314	14	3014
MY Exports	2200	2120	2400	2420	0	2134
MY Exp. to the EC	700	700	700	700	0	700
Crush Dom. Consumption	650	700	650	800	0	800
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	50	80	50	80	0	80
TOTAL Dom. Consumption	700	780	700	880	0	880
Ending Stocks	14	14	14	14	0	0
TOTAL DISTRIBUTION	2914	2914	3114	3314	0	3014
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	2154	0	2200	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 2. Soybean Exports

Export Trade Matrix			
Country	Paraguay		
Commodity	Oilseed, Soybean		
Time period	Jan- Dec	Units:	
Exports for:	1999		2000
U.S.	261	U.S.	0
Others		Others	
Argentina	215	Argentina	165
Brazil	667	Brazil	600
Uruguay	56	Portugal	12
Holland	515	Spain	178
United Kingdom	115	Uruguay	280
Total for Others	1568		1235
Others not Listed	325		790
Grand Total	2154		2025

Table 3. Soybean Meal Supply and Demand

PSD Table						
Country	Paraguay					
Commodity	Meal, Soybean				(1000 MT)(PERCENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		03/2000		03/2001		03/2002
Crush	650	700	650	800	0	800
Extr. Rate, 999.9999	0.784615	0.785714	0.784615	0.7875	ERR	0.7875
Beginning Stocks	0	0	0	0	0	0
Production	510	550	510	630	0	630
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	510	550	510	630	0	630
MY Exports	410	450	410	530	0	530
MY Exp. to the EC	200	200	200	200	0	200
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	100	100	100	100	0	100
TOTAL Dom. Consumption	100	100	100	100	0	100
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	510	550	510	630	0	630
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	175	325	200	400	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 4. Soybean Meal Exports

Export Trade Matrix			
Country	Paraguay		
Commodity	Meal, Soybean		
Time period	1999	Units:	
Exports for:	Jan - Dec		1
U.S.	0	U.S.	
Others		Others	
Argentina	43		
Brazil	46		
Uruguay	50		
Total for Others	139		0
Others not Listed	264		
Grand Total	403		0

Table 5. Soybean Oil Supply and Demand

PSD Table						
Country	Paraguay					
Commodity	Oil, Soybean				(1000 MT)(PERCENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		03/2000		03/2001		03/2002
Crush	650	700	650	800	0	800
Extr. Rate, 999.9999	0.189231	0.188571	0.192308	0.1875	ERR	0.1875
Beginning Stocks	4	4	4	4	4	4
Production	123	132	125	150	0	150
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	127	136	129	154	4	154
MY Exports	90	99	90	115	0	115
MY Exp. to the EC	5	5	5	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	33	33	35	35	0	35
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	33	33	35	35	0	35
Ending Stocks	4	4	4	4	0	4
TOTAL DISTRIBUTION	127	136	129	154	0	154
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	65	100	0	100	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 6. Sunflowerseed Supply and Demand

PSD Table						
Country	Paraguay					
Commodity	Oilseed, Sunflowerseed				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Area Planted	0	50	0	30	0	0
Area Harvested	50	50	20	30	0	30
Beginning Stocks	0	0	0	0	0	0
Production	75	75	30	40	0	40
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	75	75	30	40	0	40
MY Exports	10	10	10	10	0	10
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	65	65	20	30	0	30
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	0	0	0	0	0	0
TOTAL Dom. Consumption	65	65	20	30	0	30
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	75	75	30	40	0	40
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	10	0	10	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 7. Sunflowerseed Meal Supply and Demand

PSD Table						
Country	Paraguay					
Commodity	Meal, Sunflowerseed				(1000 MT)(PERCENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Crush	65	65	20	30	0	30
Extr. Rate, 999.9999	0.415385	0.415385	0.45	0.4	ERR	0.4
Beginning Stocks	0	0	0	0	0	0
Production	27	27	9	12	0	12
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	27	27	9	12	0	12
MY Exports	0	10	0	5	0	5
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	27	17	9	7	0	7
TOTAL Dom. Consumption	27	17	9	7	0	7
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	27	27	9	12	0	12
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	12	0	5	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 8. Sunflowerseed Oil Supply and Demand

PSD Table						
Country	Paraguay					
Commodity	Oil, Sunflowerseed				(1000 MT)(PERCENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		04/2000		04/2001		04/2002
Crush	65	65	20	30	0	30
Extr. Rate, 999.9999	0.353846	0.353846	0.3	0.366667	ERR	0.366667
Beginning Stocks	0	0	0	0	0	0
Production	23	23	6	11	0	11
MY Imports	2	2	2	2	0	2
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	25	25	8	13	0	13
MY Exports	5	5	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	20	20	8	13	0	13
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	20	20	8	13	0	13
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	25	25	8	13	0	13
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	10	0	5	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 9. Cottonseed Supply and Demand

PSD Table						
Country	Paraguay					
Commodity	Oilseed, Cottonseed				(1000 HA)(1000 MT)(RATIO)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		03/2000		03/2001		03/2002
Area Planted (COTTON)	195	200	250	308	0	250
Area Harvested(COTTON)	195	195	300	308	0	250
Seed to Lint Ratio	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	121	121	205	205	0	170
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	121	121	205	205	0	170
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	100	100	165	165	0	135
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cm.	21	21	40	40	0	35
TOTAL Dom. Consumption	121	121	205	205	0	170
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	121	121	205	205	0	170
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 10. Cottonseed Meal Supply and Demand

PSD Table						
Country	Paraguay					
Commodity	Meal, Cottonseed				(1000 MT)(PERCENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		03/2000		03/2001		03/2002
Crush	100	100	165	165	0	135
Extr. Rate, 999.9999	0.46	0.46	0.466667	0.466667	ERR	0.459259
Beginning Stocks	0	0	0	0	0	0
Production	46	46	77	77	0	62
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	46	46	77	77	0	62
MY Exports	20	20	45	45	0	40
MY Exp. to the EC	10	10	15	15	0	15
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	26	26	32	32	0	22
TOTAL Dom. Consumption	26	26	32	32	0	22
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	46	46	77	77	0	62
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	15	0	20	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 11. Cottonseed Oil Supply and Demand

PSD Table						
Country	Paraguay					
Commodity	Oil, Cottonseed				(1000 MT)(PERCENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		03/2000		03/2001		03/2002
Crush	100	100	165	165	0	135
Extr. Rate, 999.9999	0.16	0.16	0.163636	0.163636	ERR	0.162963
Beginning Stocks	0	0	0	0	0	0
Production	16	16	27	27	0	22
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	16	16	27	27	0	22
MY Exports	2	2	2	2	0	2
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	14	14	25	25	0	20
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	14	14	25	25	0	20
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	16	16	27	27	0	22
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	2	0	2	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0